
From: Ada Clapp <[REDACTED]
Sent: Wednesday, February 26, 2014 3:18 PM
To: ahalperin@paulweiss.com; Christopher L Hurtado
Cc: Eileen Alexanderson; jeevacation@gmail.com; Richard Joslin
Subject: GRATs

Hi Alan and Chris,

As you know, Leon is due to receive his first annuity payment from the APO1 GRAT No. 2 (dated December 4, 2013) on March 3, 2014. Please prepare the assignment form. We will let you know the cash portion of the annuity after the dividend is paid.

At Rich J.'s request, we would like the APO1 GRAT No. 3 to be dated March 4, 2014 (this will align the annuity payments for GRATs No 2 and 3). Would you please prepare a new GRAT agreement and assignment form. I am assuming that Leon wishes to re-GRAT the BFP interests he received from the APO1 GRAT on January 24th and the BFP interest he will receive from the GRAT No. 2 on March 3rd. Jeffrey-can you confirm that my understanding is correct?</p>

Regarding valuations, Leon will require a full valuation report for his gift to GRAT No. 3. Since Empire does not prepare its valuations showing the value of a 1% interest in BFP but rather the value of the entire interest transferred, if Leon re-GRATs BFP interests received on both January 24th and March 3rd, GRAT No. 2 will need a separate restricted use valuation report (RUVR) for its in-kind distribution of the annuity payment to Leon on March 3rd. Likewise, the APO1 GRAT will need a RUVR for the January 24th in-kind distribution. Do you agree?

Thanks in advance!

Ada Clapp

Elysium Management LLC

445 Park Avenue

Suite 1401

New York, New York 10022

Direct Dial [REDACTED]

Fax: 646-589-0330

Email: [REDACTED]

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